

ORIGINAL

002-010071-005

TITLE PAGE

1. AGREEMENT BETWEEN THE MEMBER LINES OF THE CRUISE LINES INTERNATIONAL ASSOCIATION.
2. FEDERAL MARITIME COMMISSION NUMBER 10071. '89 MAR -8 P114
FEDERAL MARITIME
COMMISSION
3. THE GENERIC CLASSIFICATION OF THIS AGREEMENT IN CONFORMITY WITH 46 C.F.R. Section 572.104 IS A COOPERATIVE WORKING AGREEMENT AMONG PASSENGER CRUISE CARRIERS.
4. NOT APPLICABLE.
5. NONE.

(Supersedes last restatement dated April 18, 1985.)



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ARTICLE 1 - FULL NAME OF THE AGREEMENT

The full name of the Agreement shall be "The Cruise Lines International Association Agreement."

ARTICLE 2 - PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to continue an Association which will act pursuant to authority granted the Members under Articles 5 and 9 of this Agreement.

ARTICLE 3 - PARTIES TO THE AGREEMENT

The parties to this Agreement are:

ADMIRAL CRUISES
1220 Biscayne Boulevard
Miami, FL 33132

ALOHA PACIFIC CRUISES
510 King Street
Alexandria, VA 22314

AMERICAN HAWAII CRUISES
550 Kearny Street
San Francisco, CA 94108

BERMUDA STAR LINE
1086 Teaneck Road
Fifth Floor
Teaneck, NJ 07660

CARNIVAL CRUISE LINES
5225 NW 87th Avenue
Miami, FL 33166

CHANDRIS FANTASY CRUISES
900 Third Avenue
New York, NY 10022

CLIPPER CRUISE LINE
Windsor Building
7711 Bonhomme Avenue
St. Louis, MO 63105-1965

COMMODORE CRUISE LINE, LTD.
1007 North America Way
Miami, FL 33132

COSTA CRUISES
World Trade Center Bldg.
80 SW 8th Street
Miami, FL 33132

CROWN CRUISE LINE
2790 North Federal Highway
P.O. Box 3000
Boca Raton, FL 33431

CRYSTAL CRUISES
2121 Avenue of the Stars
Los Angeles, CA 90067

CUNARD LINE, LTD.
555 Fifth Avenue
New York, NY 10017

CUNARD/NORWEGIAN AMERICAN CRUISES
555 Fifth Avenue
New York, NY 10017

CUNARD SEA GODDESS
555 Fifth Avenue
New York, NY 10017

DELTA QUEEN STEAMBOAT CO.
30 Robin Street Wharf
New Orleans, LA 70130

DOLPHIN CRUISE LINE
1007 North America Way
Miami, FL 33132

DOLPHIN HELLAS CRUISES
32700 Coastside Drive, Suite 107
Rancho Palo Verdes, CA 90274

EPIROTIKI LINES, INC.
551 Fifth Avenue
New York, NY 10017

HOLLAND AMERICA LINE
300 Elliott Avenue West
Seattle, WA 98119

NORWEGIAN CRUISE LINE
2 Alhambra Plaza
Coral Gables, FL 33134

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OCEAN CRUISE LINES, INC.
1510 SE 17th Street
Ft. Lauderdale, FL 33316

OCEANIC CRUISES
c/o SMI Group, Inc.
188 The Embarcadero, Suite 500
San Francisco, CA 94105

PEARL CRUISES OF SCANDINAVIA, INC.
1510 SE 17th Street
Ft. Lauderdale, FL 33316

PREMIER CRUISE LINES
101 George King Boulevard
Pt. Canaveral, FL 32920

PRINCESS CRUISES/(SITMAR CRUISES)
10100 Santa Monica Blvd.
Los Angeles, CA 90067

REGENCY CRUISES
260 Madison Avenue
New York, NY 10016

ROYAL CARIBBEAN CRUISE LINE, INC.
903 South America Way
Miami, FL 33132

ROYAL CRUISE LINE
1 Maritime Plaza
Suite 1400
San Francisco, CA 94111

ROYAL VIKING LINE
2 Alhambra Plaza
Coral Gables, FL 33134

SEABOURN CRUISE LINE
55 Francisco Street
San Francisco, CA 94133

OCEAN CRUISE LINES, INC.
1510 SE 17th Street
Ft. Lauderdale, FL 33316

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2 Alhambra Plaza
Coral Gables, FL 33134

SEABOURN CRUISE LINE
55 Francisco Street
San Francisco, CA 94133

SEA VENTURE CRUISES
5217 NW 79th Avenue
Miami, FL 33166

SOCIETY EXPEDITIONS CRUISES
3131 Elliott Avenue
Suite 700
Seattle, WA 98121

SEA VENTURE CRUISES
5217 NW 79th Avenue
Miami, FL 33166

SOCIETY EXPEDITIONS CRUISES
3131 Elliott Avenue
Suite 700
Seattle, WA 98121

SUN LINE CRUISES
1 Rockefeller Plaza
Suite 315
New York, NY 10020

WINDSTAR SAIL CRUISES
7205 NW 19th Street, Ste. 410
Miami, FL 33126

WORLD EXPLORER CRUISES
555 Montgomery Street
San Francisco, CA 94111

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SUN LINE CRUISES
1 Rockefeller Plaza
Suite 315
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ARTICLE 4 - GEOGRAPHIC SCOPE OF THE AGREEMENT

The Association defines its scope by reference to the market served rather than the geographical location of the voyages concerned. Any voyage in respect of which a marketing effort is made in North America falls within the scope of the Association. It is understood that effectiveness and/or approval of this Agreement by the FMC pursuant to the Shipping Act, 1984, and the Shipping Act, 1916, extends only to activities in connection with voyages on which passengers embark or disembark at a United States port.

ARTICLE 5 - AGREEMENT AUTHORITY

The Member Companies of this Association agree:

A. The Association will --

(1). Provide a forum where companies engaged in the marketing of the cruise and passenger liner industry in North America can meet and discuss matters of common interest and develop and agree on activities aimed at promoting and marketing the concept of shipboard holidays;

(2). Represent its Members' views in dealings with Conferences, Associations and/or Agencies of United States, local or foreign governments in matters related to marketing passenger liner or cruise vessels; and

(3). Represent Member Companies in matters relating to financial responsibility coverage and education of Independent Travel Agents.

B. Membership in any other association shall not preclude Membership in this Association. However, the Association may provide for consultation and cooperation with other Conferences, Organizations or Associations, and will utilize its best efforts to provide travel agents and interested travel agent associations with reasonable opportunities for dialogue and presentation of views, always reserving freedom of action. The areas of promotion and/or marketing which the Association may implement either on its own or in cooperation with other associations shall include:

ARTICLE 4 - GEOGRAPHIC SCOPE OF THE AGREEMENT

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This Agreement shall apply in respect of the relationship between the Member Companies of this Agreement and Independent Travel Agents in the United States and Canada, as set out in Appendix A.

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- (1). Agency Training;
- (2). Public Relations;
- (3). Advertising;
- (4). Market Research;
- (5). Cruise market expansion promotional ventures.

However, participation in any such programs shall not limit the right of any Member Company to take independent action.

C. Members of the Association may discuss with each other matters, other than specific rate activities, beyond the authority of this Agreement and within the ambit of the Shipping Act, 1984, and/or the Shipping Act, 1916, with a view to filing modifications to this Agreement with the Federal Maritime Commission. No such modifications will be implemented prior to effectiveness and/or approval under the Shipping Act, 1984, and the Shipping Act, 1916.

D. Member Companies shall notify the Association of the default of an agency or the employment by an agency of any ex-agent, ex-officer or ex-clerk of an agency previously declared in default.

E. The organization of the Association will be as shown in Appendix B.

F. Meetings of representatives of the travel trade industry (Inter-Association Meetings) shall be convened at least annually for the purpose of discussing matters covered by the Association's charter which are of mutual importance to the Association and Independent Travel Agents. The President of the Association shall notice the meetings to all Member Companies and serve as Secretary under the direction of the Chairman of the Association. The Chairman of the Association shall chair Inter-Association Meetings.

Inter-Association Meetings shall be attended by the Executive Committee and by a representative of any other such Member Companies as may wish to attend. In addition, the following organizations shall each be invited to send one representative to every Inter-Association Meeting:

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American Society of Travel Agents
Association of Retail Travel Agents
American Automobile Association
Alliance of Canadian Travel Associations
National Association of Cruise Only Agencies

G. The Association may agree from time to time to establish cruise industry promotional, educational and travel agency training programs and may allow travel agents listed in the Association's Master List of Independent Travel Agents to participate in such programs at reduced rates.

H. This Agreement shall apply in respect of the relationship between the Member Companies of this Agreement and Independent Travel Agents in the United States and Canada, as set out in Appendix A.

ARTICLE 6 - OFFICIALS OF AGREEMENT AND DELEGATION OF AUTHORITY

The Member Companies shall authorize individuals to file amendments to this Agreement or any other papers or documents related to this Agreement. At present, and until revoked, the Member Companies authorize the President of the Association to file on their behalf amendments to this Agreement or any papers or documents related to this Agreement.

ARTICLE 7 - MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

A. Eligibility. Any company (as defined below) is eligible to be a Member provided it (1) is engaged in passenger liner or cruise ship marketing, within the scope defined in Article 4 hereof, on behalf of a company which operates, or demonstrates an intention in good faith to operate, within twelve (12) months of application, one or more cruise vessels carrying passengers on cruises of at least three days' duration, which vessels (a) are at least 2,500 gross registered tons or equivalent British Registered Tons, whichever is larger, and have a capacity of at least 100 passengers per voyage or (b) have a capacity of at least 80 passengers per voyage, are at least 150 feet overall length, and have a fleet capacity of at least 5,000 passengers per year and (2) meets the conditions stated below in this Article 7.

"Member Company" as used herein refers to a specific trade name under which a passenger liner or cruise ship (or ships) is operated and marketed. If the same entity or a parent,

American Society of Travel Agents
Association of Retail Travel Agents
American Automobile Association
Alliance of Canadian Travel Associations
National Association of Cruise Only Agencies

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"Member Company" as used herein refers to a specific trade name under which a passenger liner or cruise ship (or ships) is operated and marketed. If the same entity or a parent, subsidiary, affiliate, branch or division thereof operates and markets such ships under more than one trade name, each such trade

subsidiary, affiliate, branch or division thereof operates and markets such ships under more than one trade name, each such trade name operation must meet the qualifications for Membership and those so qualifying will be granted separate Memberships.

No application shall be refused except for just cause and any such refusal shall be immediately reported to the Federal Maritime Commission with the reasons therefor.

B. Admission and Fees. New applicants for Membership which meet the foregoing qualifications will be accepted in the Association and become Member Companies upon signing a counterpart of this Agreement, providing certification of eligibility for membership, including evidence of the existence of a passenger vessel and ownership or operating rights to such vessel, and of the existence of a performance bond, and upon satisfying the financial obligations, as set forth from time to time in the Members Fee Schedule adopted by the Membership.

C. Expulsion and Withdrawal.

(1). No Member can be expelled except for failure to abide by the terms and conditions of Membership in the Association.

(2). Upon recommendation by the Managing Committee, a Member Company may be expelled by majority vote at any duly convened Membership meeting for such failure, provided that thirty (30) days advance written notice shall have been given to such Member Company setting forth the intention to propose expulsion, the reasons therefor, and the right to appear and be heard at the meeting at which such expulsion shall be proposed.

Any Member Company shall be free to act independently as to remuneration, choice, and commercial or other relationship with Independent Travel Agents, including those not on the Master List of Independent Travel Agents, without affecting full membership rights under this Agreement.

(3). Any Member Company may withdraw from the Association by notifying the Association of its intent to do so in writing. Withdrawal shall be deemed effective thirty (30) days from receipt by the Association of such notice of withdrawal.

D. Effect of Withdrawal or Expulsion. Any Member Company withdrawing or being expelled shall not be entitled to the refund of any part of the operation and maintenance expenses apportioned for the fiscal year concerned. The same will apply in respect of additional funding which has been assessed, notwithstanding the

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E. Readmission. Any Member Company which voluntarily withdraws may qualify for readmission under this Article, and, if its readmission occurs during the calendar year of its voluntary withdrawal, a second annual assessment shall not apply. An expelled Member Company may qualify for readmission by correction or elimination, as appropriate, of whatever cause or condition resulted in expulsion, and/or by payment of any liquidated damages that may have been assessed, and by reapplication in accordance with this Article 7.

ARTICLE 8 - VOTING AND AMENDMENTS

A. The various voting requirements are set out in Appendix B.

B. This Agreement may be amended by agreement of at least seventy-five percent (75%) of the total number of Member Companies. No such amendment shall become effective unless and until becoming effective and/or approved by the Federal Maritime Commission under the Shipping Act, 1984, and the Shipping Act, 1916.

ARTICLE 9 - DURATION AND TERMINATION OF THE AGREEMENT

A. Duration. This Agreement has been in effect since June 6, 1984. The Agreement shall continue in effect indefinitely unless terminated by the Member Companies pursuant to the terms of this Agreement.

B. Termination. This Agreement may be terminated at any time by mutual agreement of the Member Companies.

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APPENDIX A

TERMS AND PROVISIONS REGARDING
AFFILIATION OF INDEPENDENT TRAVEL AGENTS

1. DEFINITION. For purposes of this Agreement, an Independent Travel Agent (hereinafter "Agent" or "Agency") is defined as any person, entity or department of an entity that is engaged in the business of selling travel or travel related services.

2. AGENCY FEES. An application fee of U.S. \$45.00, and an Annual Agency Fee of U.S. \$90.00, the levels of which may be changed from time to time by the Association, shall be collected for each location at the time of application. Agencies notified of listing during the first nine (9) months of any fiscal year shall pay the full annual fee; agencies notified during the last three (3) months of any fiscal year shall pay the full annual fee which shall be credited for the full ensuing fiscal year. Agency Fees (non-refundable) shall be collected for each location on or before the commencement of each fiscal year and the Association shall thereafter promptly give notice to any Agency from whom it has not received an Annual Agency Fee. Such notice shall include a final notice for payment, and failure to remit within the time specified will subject the Agency concerned to automatic termination without further notice. Reinstatement can be effected, as of the date of postmark of the delinquent payment, by mailing to the Association the amount of such payment, plus a sum equal to one-half the Annual Agency Fee; said sum being acknowledged by the Association and by the involved Agency as constituting liquidating damages for such delinquency to be applied because the amount of actual damages would be difficult if not impossible to ascertain.

3. CONSIDERATION OF APPLICATION. An applicant for listing shall submit a completed application, in a form prescribed by the Association, and tender payment of the application fee and the Annual Agency Fee. When an applicant has complied with the conditions set forth herein, its name shall be placed on the Master List of Independent Travel Agents and it shall be promptly notified of that action. In the event an application is denied, notice shall be given containing the reasons for such denial.

4. PLAN FOR SECURING PERFORMANCE OF LISTED TRAVEL AGENTS. The Association will arrange coverage to secure the performance by Listed Travel Agents of their obligations to Members by either engaging a bonding company or establishing a Security Fund under the direction of an Administrator. Such Plan may, from time to time, be changed by the Association. Proof of claims against a Listed Agent shall be filed in accordance with such instructions as are issued by the Association from time to time. Such claims shall be for the net amount of sales. Any remuneration due to the Agent after a default situation shall revert to the Administrator paying the claim as salvage.

5. CONDITIONS FOR AGENCY AFFILIATION. The Conditions governing the relationship between Listed Agents and Association Members are set forth in CLIA's new member kit and, upon request, are available for an applicant's advance review. These Conditions are as follows:

(a) ACCOUNTABILITY - You are responsible to account for proprietary documents of Member Cruise Lines and to maintain records relating to Member Cruise Lines' transactions. Such accounting and records will be available for review by the Member Cruise Line concerned during normal business hours.

(b) TICKETING, REMITTANCES, AND REMUNERATION - In accordance with each Member Cruise Line's policies.

(c) PROMOTION - You may display the CLIA seal on your promotional pieces related to the development of the business of Member Cruise Lines and are encouraged to do so. Of course, such promotional pieces should conform to truth and good taste. You are responsible for the accuracy of your promotional pieces and for compliance with applicable governmental requirements. CLIA will make every attempt to assist you when and where possible.

(d) CHANGES AFFECTING THE STATUS OF YOUR AGENCY - In order to assist us in the accurate maintenance of our records, promptly advise us of any changes which alter the data you have provided in your application. If a change of ownership occurs, the new owner must meet the requirements for Agency listing. A change affecting ownership may require payment of a new Annual Agency Fee, as set forth in the Statement of Policy and Procedure on file and available for review at the principal office of CLIA and at the offices of each Member Cruise Line. We will advise you further of those instances as they may become applicable to you.

(e) TERMINATION OF YOUR AFFILIATION - Whenever requested by you the affiliation of your Agency can be terminated. To insure a request for termination is accurately transmitted, please notify us in writing. Unfortunately, your Annual Agency Fee cannot be refunded. In addition, any of the following circumstances could result in an involuntary termination of affiliation: (1) bankruptcy; (2) insolvency; (3) failure to effect timely payments to the Member Cruise Lines and/or timely refunds to your clients; (4) absconding; (5) the mishandling of funds or proprietary documents exchanged through you, which funds or proprietary documents you agree to hold in trust; or (6) a breach of any Agency Condition. Additionally, and understandably, should you not respond to our invoicing for payment of the Annual Agency Fee, your affiliation will automatically lapse.

(f) YOUR RIGHTS - Should an event occur which presents grounds for involuntary termination, you will be notified and given the opportunity to address the allegations prior to a declaration of involuntary termination. In the event that your affiliation actually is involuntarily terminated, you again will be notified and will be given the opportunity to receive a review and a reinstatement. The procedures for notice, review, and reinstatement are contained in the Statement of Policy and Procedure on file and available for review at the principal office of CLIA and at the offices of each Member Cruise Line.

(g) OUR RIGHTS - In the unlikely event that your affiliation should be involuntarily terminated as provided above, you agree to hold harmless the Association and any of its Member Cruise Lines and their respective officers and employees for any loss, injury or damage related to a declaration of involuntary termination. You further agree to indemnify the Association and any of its Member Cruise Lines for any losses they may sustain as a result of the loss of documents or funds for which you have responsibility. Additionally, no claim for loss, injury or damage shall be made against the Association or its Member Lines regarding any good faith communication made in connection with the processing of an application for Affiliation. The rights of the Association and its Member Cruise Lines which will affect your dealings with them as an affiliated Agency are contained in the Statement of Policy and Procedure on file and available for review at the principal office of CLIA and at the offices of each Member Cruise Line.

(h) NON-AFFILIATED AGENCIES - As part of the democratic process as it may relate to restraint of trade, we both agree that we cannot debar Agencies which choose not to

subscribe to these Conditions and Member Cruise Line Companies from doing business with one another on any terms to which they may agree.

STATEMENT OF POLICY AND PROCEDURE

(To be maintained at the principal office
of CLIA and at the offices of Member Cruise Lines;
available to Applicants and to Listed Agents upon request)

A. AGENCY FEES.

An Annual Agency Fee of U.S. \$90.00, the levels of which may be changed from time to time by the Association, shall be collected for each location on or before the commencement of each fiscal year. When the Association is notified of a change in the form of ownership or in control, or the ability to control management of the Agency, a new Annual Agency Fee will be collected from the new owners for each Agency location affected.

B. THE RIGHTS OF AFFILIATED AGENTS.

1. INVOLUNTARY TERMINATION OF AFFILIATION: NOTICE AND OPPORTUNITY TO BE HEARD. Should the Association determine that an event has occurred which gives rise to grounds for an involuntary termination of affiliation, the Agency shall be notified of such grounds and shall be granted a reasonable opportunity to dispute the grounds for involuntary termination. Should the Association thereafter determine that involuntary termination is warranted, the Member Companies and the Agent shall simultaneously be notified that affiliation has been terminated, stating the reasons therefor. Notice shall be given by certified mail, return receipt requested.

2. EFFECT OF INVOLUNTARY TERMINATION OF AFFILIATION. The involuntary termination of an Agent's affiliation for any of the causes listed in Condition (e) to Conditions for Agency Affiliation shall be deemed sufficient cause for cancellation and removal of the Agent's name from the Master List of Independent Travel Agents.

3. OPPORTUNITY FOR REVIEW. The Agent will be given the opportunity for review of the grounds giving rise to involuntary termination of affiliation. The Agent must exercise such right within fifteen (15) days from the date of the Association's certified mail notice.

4. REVIEW. It is envisioned that in most instances resolution of the alleged violation will be obtained via an exchange of dialogue and pertinent exhibits between the Agent and the Association and/or the Member Cruise Line(s) concerned. However, should there be disputed issues of fact or law, the Agent may request that the matter be referred to a more formal Review Board.

5. REVIEW BOARD. The Review Board shall consist of one representative chosen by the Agent, one representative designated by the Association, and a third mutually acceptable party. If mutual acceptance cannot be obtained, the third party shall be designated by the American Arbitration Association.

6. DECISION. The decision of the Review Board shall be final.

7. REINSTATEMENT. If, as a result of the dialogue between the Agent and the Association and/or the Member Cruise Line(s) referred to above, the Agent settles all claims in full, reinstatement shall be automatic. If the matter is referred to a Review Board, reinstatement shall be in accordance with the decision reached by the Review Board.

C. THE RIGHTS OF THE ASSOCIATION AND ITS MEMBER CRUISE LINES.

1. RELIEF FROM RECOURSE. The Association shall not be responsible for any losses caused to the Agent due to any action taken by the Association pursuant to any of the Conditions for Agency Affiliation.

2. FAILURE TO ACT UPON ANY DEFAULT. Such failure shall not be deemed a waiver thereof by the Association or the Member Cruise Line involved nor a general waiver of any such acts or omissions; nor shall such failure be deemed to operate as a relinquishment of rights against the Agent in respect of any other acts or omissions by the Agent.

3. RIGHTS SEVERAL, NOT JOINT. The powers, rights, privileges, immunities and duties of the Member Cruise Line Companies are several and not joint.

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(Attached is a sample of the Application)

Application Instructions

In order to expedite your CLIA application, please follow these simple instructions.

1. Complete all requested information below:

FEES: Please make all your remittances in U.S. dollars.

2. You may wish to include the sum of \$22.50 to receive your copy, at the CLIA members' discount price, of the current edition of our *Travel Agent's Cruise Manual*.

- New Application Fee (\$45.00).
- Annual Fee (\$90.00) for year ending 12/31/89.] \$135.00 ☐
- Cruise Manual @ CLIA Member discount (optional) \$ 22.50 ☐
- Video "Principles of Professional Selling" featuring John Dalton. FREE ☒

Total Remittance \$ _____

3. Method of presentation:

- ☐ Check enclosed (payable to CLIA, U.S. currency)
☐ MasterCard ☐ Visa

--	--

Credit card account number

Expiration Date

Signature _____

4. Detach along perforated line. Send us your completed and signed application together with your remittance (if check) to:

Manager-Agency Relations
Cruise Lines International Association
500 Fifth Avenue, Suite 1407, New York, N.Y. 10110

Please allow 4-6 weeks for delivery.

Thank you. Your CLIA New Membership Kit will be sent to you with your official seal shortly after receipt of your completed application and the proper remittance (allow 4 weeks). Your Free Video will be sent under separate cover. Conditions governing the relationship between CLIA listed agents and Association members are in the kit or, upon request, are available for your advance review.

Detach along this perforated line.

BASIC APPLICATION INFORMATION

B9SOL #1

1. Address/Telephone Number:

Name of Agency (Corporate if applicable)

Trade name (if any)

P.O. Box Suite

Street

City, State, Zip

(2)

Telephone

2. Your ARC/IATA Number: (If you have one)

3. Type of Ownership (Check one). Must be completed:

- ☐ Individual ☐ Partnership ☐ Corporation

4. Name(s) of Owner, Partners, or Officers, as Appropriate:

Name(s)/Title

AGENCY CLASSIFICATION INFORMATION

8. Other Association Affiliations:

- ☐
- ASTA
- ☐
- ARTA
- ☐
- AAA
- ☐
- ACTA
- ☐
- NACOA

■ ABOUT YOUR AGENCY

9. Year started in business?

10. Total number of employees in office?
(including outside sales personnel)

11. Our Agency is: ☐ A full service agency

- ☐ A cruise division of a full service agency
- ☐ A cruise only agency

12. Your business location is also used for residential purposes:

- ☐
- Yes
- ☐
- No

13. Total agency annual sales (total agency volume)

- ☐ Less than \$500,000 ☐ \$1,000,000-\$5,000,000
- ☐ \$500,000 - \$999,999 ☐ Over \$5,000,000



APPENDIX B

ORGANIZATION AND FUNDING

1. ORGANIZATION.

A. Managing Committee. The governing body of the Association shall be the Managing Committee which shall consist of a designated representative of each Member Company who shall be empowered to act and make binding decisions on behalf of his company.

B. Officers. A Chairman, three Vice-Chairmen, and such other officers as may be required shall be elected from among the Member Companies by the Managing Committee and each shall serve a term of office of 24 months and may be re-elected for one continuing term. The offices of Chairman and Vice-Chairmen shall be filled on a staggered term basis to provide for an overlap in tenure of such officers. The President of the Association shall be employed pursuant to contract terms.

C. Committees.

(1). Executive Committee. There shall be an Executive Committee comprised of the Chairman, the three Vice-Chairmen, the Marketing Committee's Chairman, none of whom may be employees of the same Member Company or related Member Companies, and the President of the Association. This committee will oversee the Association's operating activities between meetings and will maintain the financial integrity of the approved Managing Committee Plan and Budget. Plan variances in excess of 10% of the aggregate revenue or expense will require approval of the full Managing Committee. All policy matters will be approved by the full Managing Committee in order to become accepted policy.

(2). Marketing Committee. There shall be a Marketing Committee, comprised of representatives of Member Companies, which will provide for geographic and product representation. The Marketing Committee Members shall select their own Chairman. All Members of the Marketing Committee may serve for successive one-year terms. Although the Managing Committee is the governing body of the Association and as such is the ultimate decision-making authority, the Marketing Committee has the authority to implement programs it has planned which have been conceptually approved by the Managing Committee.

(3). Other Committees. Additional standing or temporary committees may be created and assigned duties by the

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Managing Committee or Executive Committee as considered necessary. Unless otherwise agreed, the findings of such additional committees shall be recommendatory only.

D. Staff Officers. The Managing Committee may appoint Staff Officers of the Association who shall be employees of the Association. Under the direction of the Managing Committee and/or the Executive Committee and/or the Marketing Committee, as appropriate, they shall be responsible for fulfillment of such assigned duties as are consistent with the purposes of the Agreement.

E. Meetings, Quorum, Decisions, Minutes. At least two Managing Committee meetings shall be held each year at a time, date and place as agreed. Ordinarily, meetings will be held at the call of the Managing Committee Chairman. However, any Member Company, with the endorsement of at least two other Member Companies, or a Staff Officer, with the endorsement of the Managing Committee Chairman, may request a special meeting of the Managing Committee for a special purpose. Upon receipt by a Staff Officer of such a request (or upon receipt of the Chairman's approval of a Staff Officer's request), a meeting will be convened within thirty (30) days. Every effort will be made to assure receipt by Members of docketed agenda items at least ten (10) days prior to the meeting. If agreed, additional items not docketed may be discussed. Decisive actions of the Managing Committee shall be considered confirmed when taken. Quorums shall consist of two-thirds of the Member Companies. If the Member Company seeking the meeting so stipulates, the meeting shall be held without a quorum. However, no action may be taken without the agreement of at least three-quarters of the total Member Companies of the Association unless otherwise specifically provided herein. A report of all meetings of the Managing Committee within the scope of this Agreement, specifying any action taken, including action resulting from mail or telephone ballot, shall be prepared and promptly transmitted to the Federal Maritime Commission.

2. OPERATION AND MAINTENANCE EXPENSE. The Association's fiscal year shall coincide with the calendar year. The cost of the operation and maintenance of the Association shall be supported by annual assessment among the Member Companies, which shall be paid in advance on or before January 1 of each year, and by collection of annual fees from Independent Travel Agents, both of which shall be at levels fixed by the Managing Committee. Companies joining the Association shall be guided by Article 7 of the Agreement in respect of financial responsibility.

3. NOTICES. Any period of notice provided for in the Agreement shall be given in writing and shall commence upon date of receipt.

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4. FINANCIAL RESPONSIBILITY.

A. The Marketing Committee will present its recommendation for an overall annual budget to the Managing

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4. FINANCIAL RESPONSIBILITY.

A. The Marketing Committee will present its recommendation for an overall annual budget to the Managing Committee for its approval. Once approved, the Marketing Committee has the authority to effect lateral shifts in funding provided such shifts:

(1). Are within the same broad activity (i.e., within the broad scope of training activities, or within the broad scope of public relations, and the like, but not from training activities to public relations, or vice versa, and the like); and

(2). Do not raise the level of the overall approved budget.

B. Should the Marketing Committee discover training and/or promotional opportunities or the expansion of existing programs which it proposes to have funded after the overall budget has been approved by the Managing Committee, such funding can be assumed, provided the level of the overall budget is not increased by more than five percent (5%).

C. Should such opportunities or expansions result in an increase in the level of the overall budget of more than five percent (5%), the Chairman of the Marketing Committee will issue a memorandum to the Executive Committee setting forth the amount of additional funding requested and suitable explanatory justification therefor. Provided the additional funding requested does not exceed ten percent (10%) of the overall annual budget, the Executive Committee shall, within seven (7) days from receipt of the request, advise the Chairman of the Marketing Committee of its decision.

D. A request from the Marketing Committee Chairman to the Executive Committee for additional funding beyond ten percent (10%) of the overall annual budget shall be referred by the Executive Committee to the full Managing Committee for decision.

E. It is understood that all requests for additional funding shall not be committed unless and until written approval has been obtained.

F. Any additional funding required and approved will be apportioned amongst the Member Companies on the same basis as the annual supplemental fee, or as may be otherwise agreed.

G. It is further understood that the Marketing Committee's overall budget shall be regarded as an expense budget, not a revenue budget. That is, additional revenues which may be derived by way of new Member Companies or by way of investment

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F. Any additional funding required and approved will be apportioned amongst the Member Companies on the same basis as the annual supplemental fee, or as may be otherwise agreed.

G. It is further understood that the Marketing Committee's overall budget shall be regarded as an expense budget, not a revenue budget. That is, additional revenues which may be derived by way of new Member Companies or by way of investment earnings shall not be used to balance the budget nor should they be considered available for any additional spending.

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earnings shall not be used to balance the budget nor should they be considered available for any additional spending.

5. COMPLIANCE WITH LAW. The Member Companies agree to comply with applicable governmental laws related to the operation of CLIA.

6. MEMBER COMPANIES' FEES. This glossary is to ensure a common understanding by all concerned of the several fees applicable to a CLIA Member Company. When the subject of the Members' fees is addressed either orally or in writing, use of the proper term only will assure continued understanding by all parties.

A. Admission Fee - A one-time charge applied to a Member Company as a "buy-in" of its equity in the Association's activities. The admission fee must be tendered in advance of acceptance, and will be returned in the event that the applicant is not accepted as a Member Company. The amount of this charge shall be as determined from time to time by the Managing Committee. At present, the level of the Admission Fee ranges between one-half (1/2) and one and one-half (1 1/2) of the Minimum Annual Fee, depending upon the size represented by the cruise line applicant.

B. Annual Basic Fee - An annual uniform sum payable by all Member Companies as the first of two portions of their Current Annual Assessment. The Annual Basic Fee does not apply to an applicant company during its first partial year of Membership but will take effect as of the ensuing calendar year. The level of this fee shall be as determined from time to time by the Managing Committee, and at present is \$3,000.00 per Member.

C. Annual Supplemental Fee - Each Member Company's proportional share of the Association's total annual operating budget after deduction of the collective Annual Basic Fees. Such share is determined via a formula consisting of three elements, i.e., number of lower beds per ship, number of annual operating days per ship, and percentage of annual sales expected to be made in North America per ship. This fee is the second of two portions of each Member Company's Current Annual Assessment. The Annual Supplemental Fee for an applicant shall be determined as though such applicant were a Member Company for the full calendar year. However, the actual amount of such fee shall be pro-rated from its actual effective date of Membership.

The three formula factors referred to above are interpreted as follows:

(i) Total Number of Lower Beds - This figure should represent the total number of lower beds indicated in the current

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The three formula factors referred to above are interpreted as follows:

(i) Total Number of Lower Beds - This figure should represent the total number of lower beds indicated in the current brochure of the Member Company or Applicant. It should not be determined by the number of beds that are expected to be sold during the calendar year. Expressions such as "Queen," "King" or

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brochure of the Member Company or Applicant. It should not be determined by the number of beds that are expected to be sold during the calendar year. Expressions such as "Queen," "King" or "Oversize" beds are regarded as two (2) lowers and the word "Sofa" is regarded as one (1) lower. The only exception would be in instances of cabin reconfigurations which have not been reflected in the Line's latest brochure.

(ii) Operating Days - This figure should represent the total number of days in a calendar year during which the ship will be earning revenue via passenger occupancy, including occupancy via charter. In most instances, the figure should be 365 less drydock days and dead-head days or turn-around days which exceed 24 hours and during which no passengers are embarked.

(iii) Expected Percent of Sales - This figure should represent the best estimate of the Member Company of where its sales for the calendar year will be made, i.e., the percent expected from North America versus the percent expected from elsewhere. For purposes of this clarification, North America includes Canada, the fifty United States, Mexico, the countries of Central America and the island countries or United States possessions or territories in the Caribbean.

D. Current Annual Assessment - Each Member Company's total annual contribution which is made up of two portions, i.e., its Annual Basic Fee and its Annual Supplemental Fee. The total of all Current Annual Assessments will support the Association's annual operating budget. In respect of an applicant for its initial partial year of membership, its initial Current Annual Assessment will be the sum of its Admission Fee and its pro-rated Annual Supplemental Fee which will create income for the Association in excess of the annual operating budget. The Current Annual Assessment for an applicant must be tendered in advance of acceptance, and will be returned in the event that the applicant is not accepted as a Member Company.

E. Minimum Annual Fee - In no event shall a Member Company's Current Annual Assessment be less than the Minimum Annual Fee. This minimum shall be as determined from time to time by the Managing Committee. At present a Member Company's Minimum Annual Fee is \$12,000.00. The Minimum Annual Fee is not applicable to an applicant cruise company during its first partial year of Membership.

F. Current Annual Assessment Adjustments - At the close of each calendar year each Member Company will advise the Association of any changes during the year just ended in respect of the number of lower beds per ship, the number of annual operating days per ship, and the percentage of sales per ship actually made in North America (versus the expected percentage).

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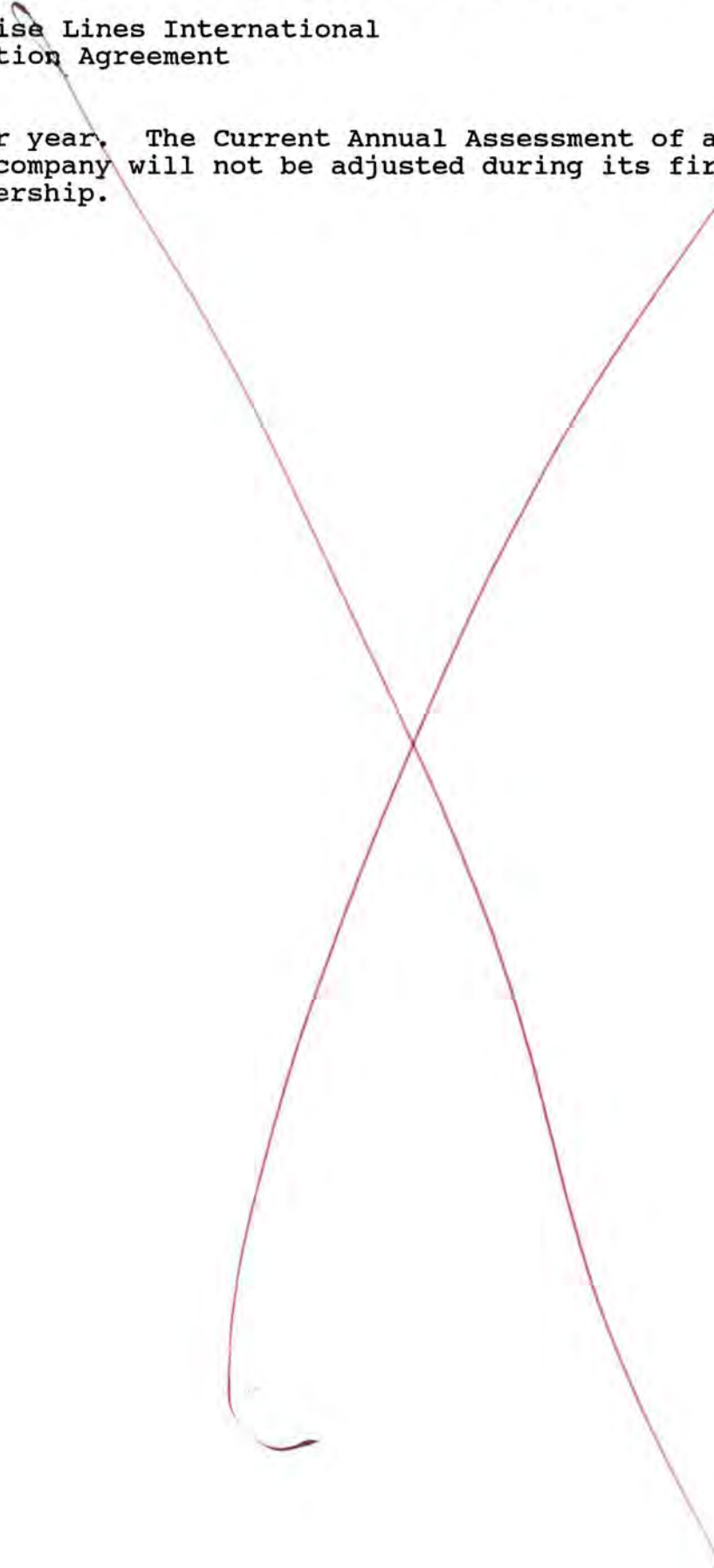
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The Association will recalculate each Member Company's Current Annual Assessment and will apply a credit or debit, as appropriate, to the Current Annual Assessments for the ensuing calendar year. The Current Annual Assessment of an applicant cruise company will not be adjusted during its first partial year of Membership.

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calendar year. The Current Annual Assessment of an applicant
cruise company will not be adjusted during its first partial year
of Membership.



IN WITNESS WHEREOF, the below listed parties,
constituting the Member Lines of the Cruise Lines International
Association ("CLIA"), have caused this modification to FMC
Agreement No. 10071 and Appendices A and B thereof to be executed
on their behalf by James G. Godsman, President of CLIA, this 8th
day of March, 1989. The modifications state the current
membership of CLIA and amend the Agreement with respect to
administrative matters.

Admiral Cruises
Aloha Pacific Cruises
American Hawaii Cruises
Bermuda Star Line
Carnival Cruise Lines
Chandris Fantasy Cruises
Clipper Cruise Line
Commodore Cruise Line, Ltd.
Costa Cruises
Crown Cruise Line
Crystal Cruises
Cunard Line, Ltd.
Cunard/Norwegian American
Cruises
Cunard Sea Goddess
Delta Queen Steamboat Co.
Dolphin Cruise Line
Dolphin Hellas Cruises

Epirotiki Lines, Inc.
Holland America Line
Norwegian Cruise Line
Ocean Cruise Lines, Inc.
Pearl Cruises of Scandinavia,
Inc.
Premier Cruise Lines
Princess Cruises/(Sitmar Cruises)
Regency Cruises
Royal Caribbean Cruise Line, Inc.
Royal Cruise Line
Royal Viking Line
Seabourn Cruise Line
Sea Venture Cruises
Society Expeditions Cruises
Sun Line Cruises
Windstar Sail Cruises
World Explorer Cruises


James G. Godsman, President of CLIA
and duly authorized representative
of the CLIA Member Lines

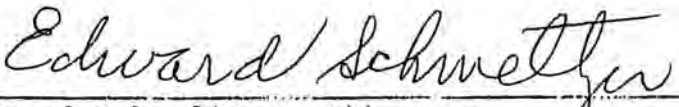
CERTIFICATE OF DELEGATION OF AUTHORITY

This is to certify that James G. Godsman, President of
Cruise Lines International Association ("CLIA"), is duly
authorized to sign, on behalf of CLIA member lines, the foregoing
modifications to The Cruise Lines International Association
Agreement, FMC Agreement No. 10071, which were approved by the

CLIA member lines, as reported at the CLIA Managing Committee Meeting of January 10-11, 1989, at which I was present. The CLIA Managing Committee, consisting of an authorized representative of each member line, approved the following two items:

Unanimous agreement with the revised FMC Agreement reflecting all adjustments made from October, 1986 through 1988 at Managing Committee meetings.

Agreement to allow the President of CLIA to automatically make revisions to the Agreement based exclusively on approved and minuted Management Committee policy changes.


Edward Schmeltzer, Attorney
CRUISE LINES INTERNATIONAL ASSOCIATION